

ECONOMIC DEVELOPMENT

GOAL

Attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for residents.

The City provides a welcoming, supportive environment for businesses

So that...
Kirkland has a healthy business and tourism economy

So that...

Kirkland has a diverse, business-friendly economy that supports the community's needs

MEASURE	2013	2014	2015	2016	2017	Target
Number of businesses helped with consultant services	187	178	174	189	181	N/A
Office space vacancy rate	7.6%	5.5%	3.3%	5.1%	4.7%	Eastside: 9.0%
Lodging tax revenue	\$247,075	\$270,607	\$305,564	\$312,521	\$326,919	Increase
Net new businesses	641	****	****	873	841	Increase
Visits to ExploreKirkland.com	90,523	86,017	111,866	83,954	60,896	Increase
New Green Businesses	1	3	***	***	7*	Increase
Annual number of jobs	32,722	33,828	34,803	37,342	39,281	Increase
Businesses are satisfied with Kirkland as a place to do business	**	**	81%	**	***	80%
Residents are satisfied with the availability of goods and services in Kirkland	**	80%	**	83%	**	80%

* Envirostars program launched in Sept 2017

** Community Survey conducted in even years

*** No data available

**** City staff are evaluating data for these years

HOW DO WE MEASURE ECONOMIC DEVELOPMENT?

Net new businesses and office space vacancy rates are both indicators of the health of the local business economy. Lodging tax revenue measures the vitality of the hospitality industry, which in turn supports other tourism assets such as restaurants and retail shops. Internet visits to ExploreKirkland.com website demonstrate the public's interest in Kirkland and often translate to actual visits and extended stays in our City.

An architectural rendering of the planned Whole Foods marketplace in Totem Lake.



HOW ARE WE DOING?

The Economic Development Office continues to recruit and retain businesses, and increases can be seen in the number of businesses and employees over the past year, despite the fact that two major mixed-use developments, the Village at Totem Lake and Kirkland Urban were under construction for a large part of the reporting period and their first phases are not expected to be completed until sometime

in 2018. The commercial vacancy rate in Kirkland is substantially lower than the King County average and the largest office parks including Carillon Point and Yarrow Bay have been approaching capacity. Much like the rest of the regional economy, we are a location where people want to come as well as want to stay, resulting in a limited and often expensive commercial space product.

WHAT ARE WE DOING?

In the heart of downtown Kirkland is the Kirkland Performance Center (KPC), a vital and beloved entertainment resource for the Eastside community that also contributes significantly to the exceptional Kirkland quality of life. Less well known is the role of the facility in supporting the economic vitality of downtown Kirkland, especially in the shoulder seasons when weather forecloses on outdoor activities. Moreover, the theatre, the only commercial assembly space of its size in the City with over 400 seats, also hosts business conferences, thereby supporting the weekday business travel economy that helps to fill Kirkland hotels. In addition, the KPC occasionally serves as a recording and video production studio for private interests; revenue key to supporting the public performance and popular programming that Kirklanders appreciate.

However, by 2016, it was acknowledged by KPC staff that its sound equipment as well as lighting, recording and infrastructure had fallen short of industry standards. As compared to its competitors like the Edmonds Center for the Arts and Meydenbauer Center, the KPC could not take advantage of the market for entertainment and business events, and could not leverage these revenues to grow its programs including subsidies for community events.

In 2016, the KPC sought the assistance of the Kirkland Tourism Development Committee which oversees the expenditure of lodging tax funds. These funds are used to attract overnight visitors to Kirkland from fifty (50) miles and beyond. The KPC requested and was granted \$100,000 to implement a technology upgrade by the City Council. With the funding the KPC was able to upgrade its

front-of-house console, monitor system, sound speakers, cabling and digital wiring.

More recently, as a result of the efforts of Senator Kuderer, funds totaling \$500,000 were secured in the 2017 legislative session to provide additional upgrades to the theatre. Along with roof improvements, the funds also will be used to improve lobby and concession areas, and replace antiquated theatrical lighting.

The KPC is an economic development asset for Kirkland. The City is hopeful that the improvements will make it competitive with its peer facilities, and that it can, like other conference and event centers, draw business activities to Kirkland and enhance the revenues of nearby hotels and surrounding retail and restaurant businesses.



The Kirkland Performance Center